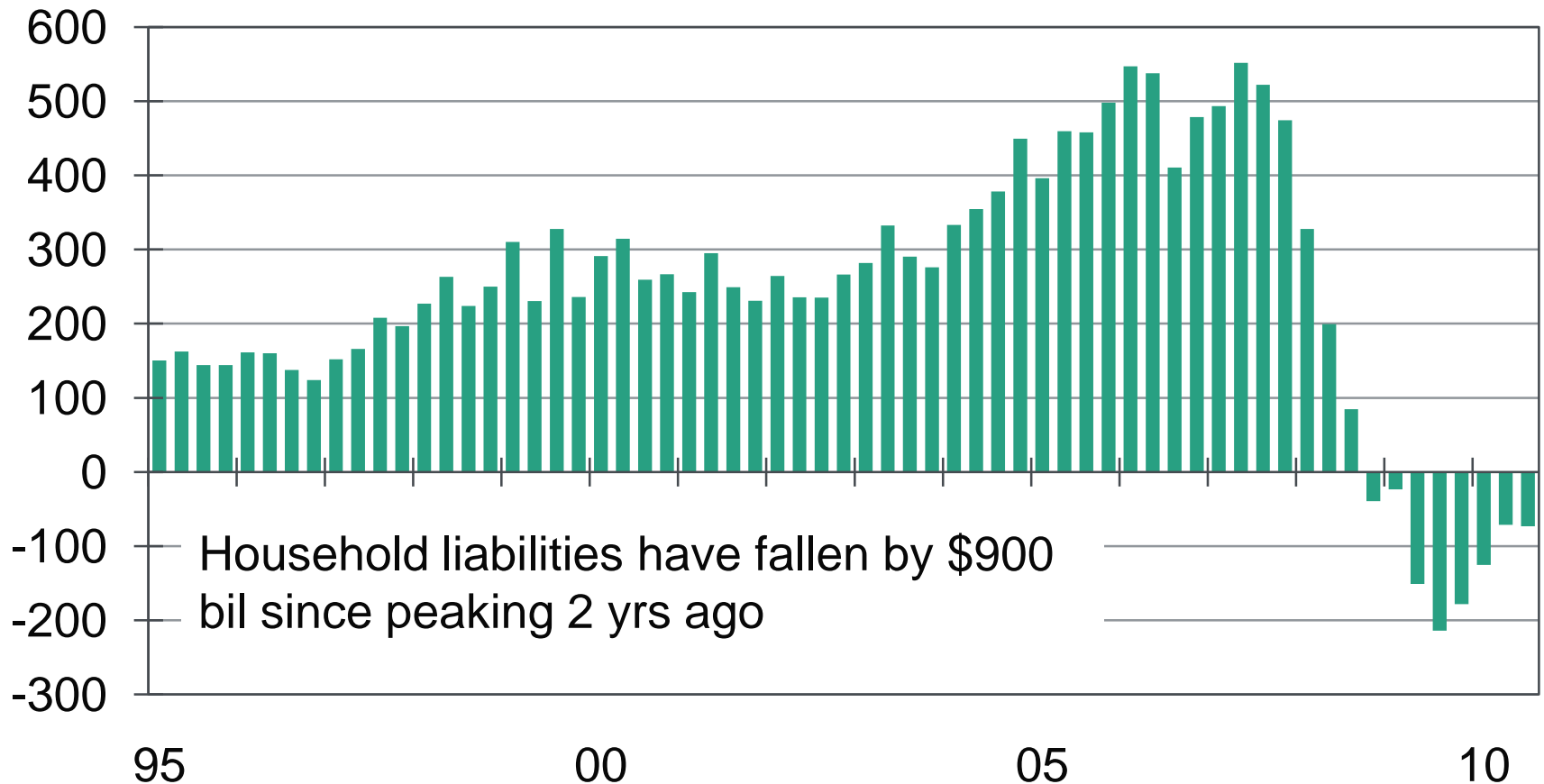


# **Economic Outlook for the U.S. and North Dakota**

**STEVE COCHRANE, MANAGING DIRECTOR**

# Households and Businesses Deleverage...

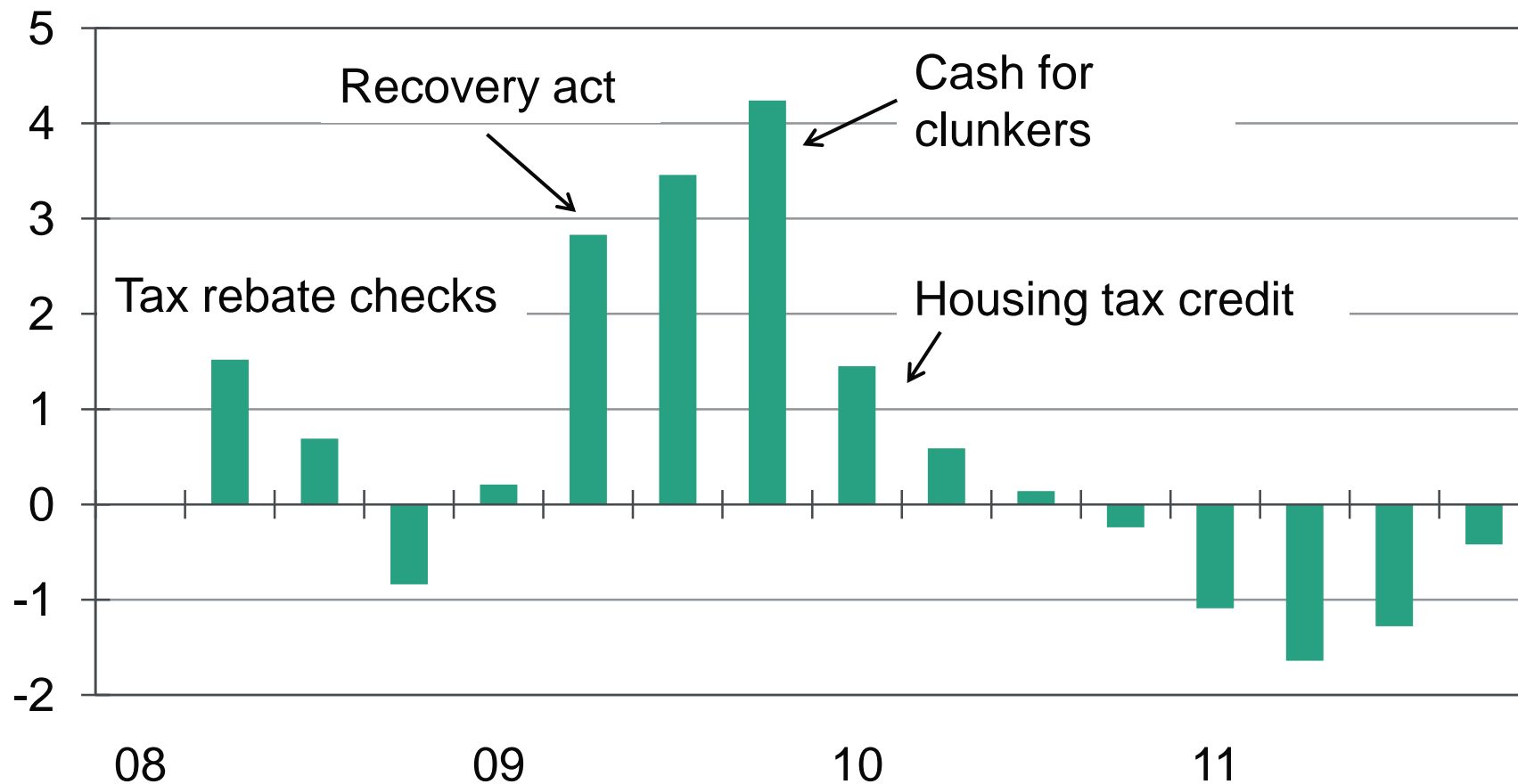
Change in household and nonfinancial corporate debt, \$ bil



Sources: Federal Reserve Board, Moody's Analytics

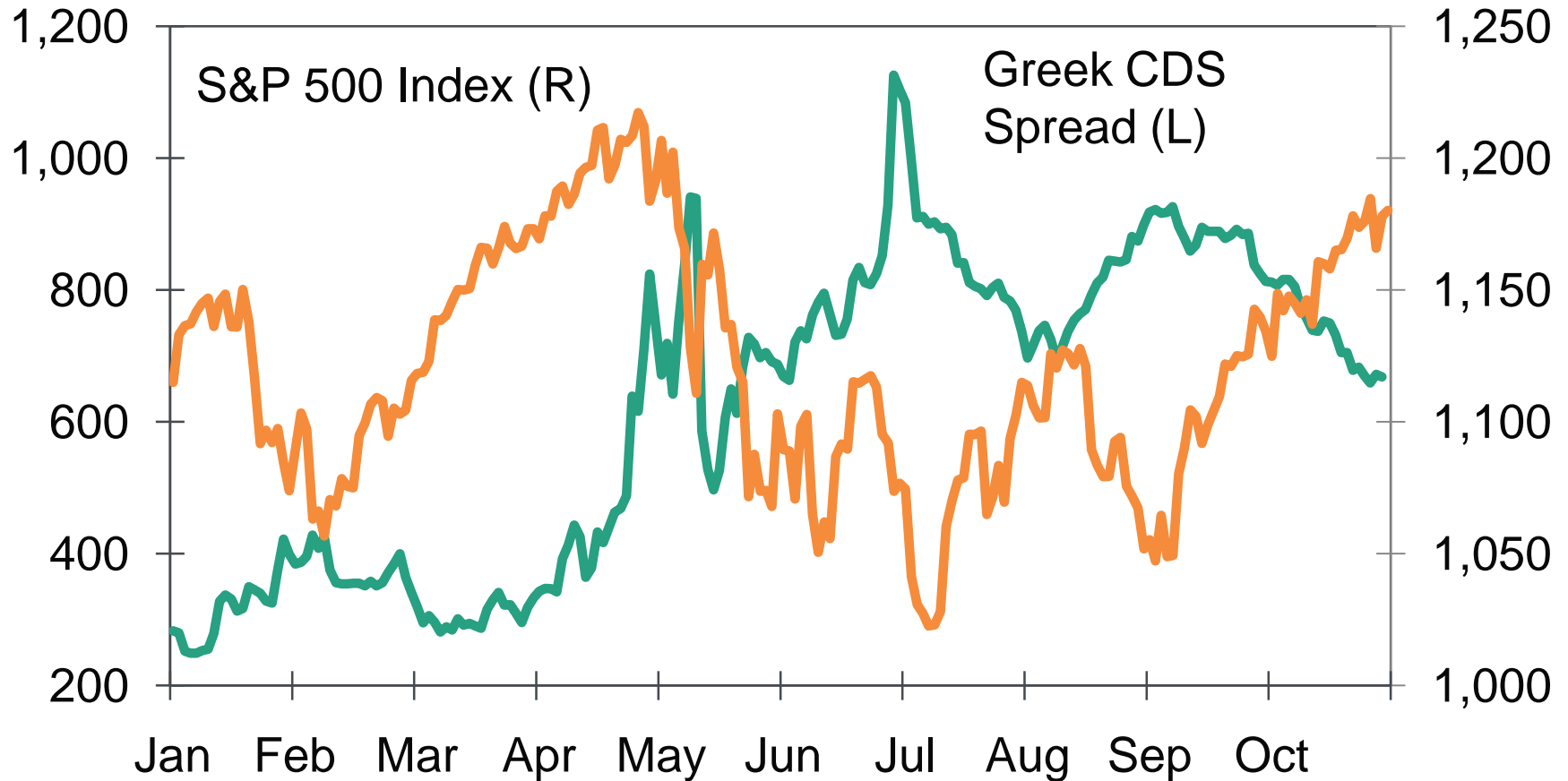
# The Boost From Fiscal Stimulus Fades...

Contribution to real GDP growth, %



Source: Moody's Analytics

## ...And the European Debt Crisis Slams Confidence



Sources: Bloomberg, S&P, Moody's Analytics

# Hiring Is Dormant...

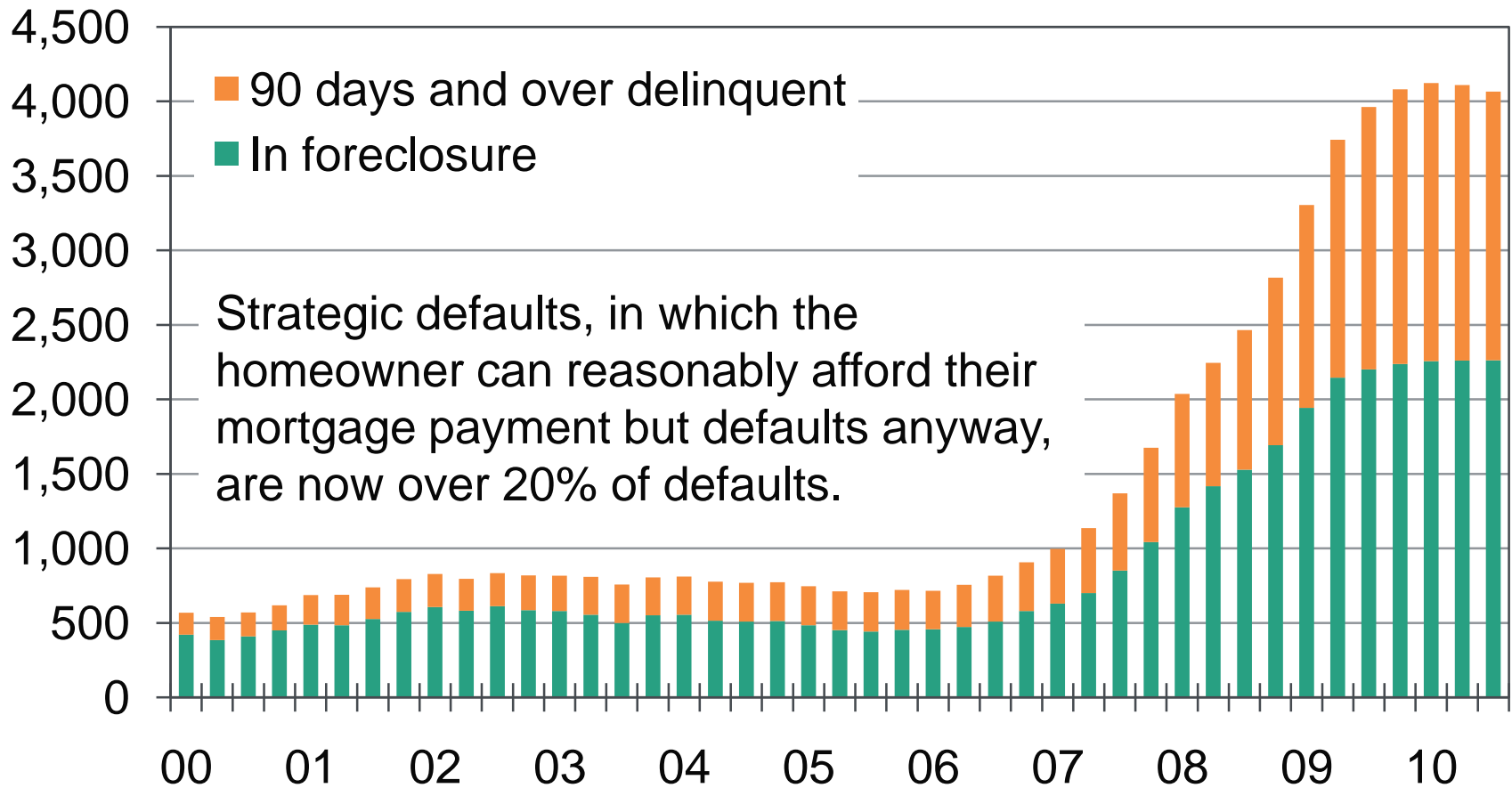
Number of monthly hires ex Census, ths, SA



Source: BLS

# ...The Foreclosure Crisis Continues On

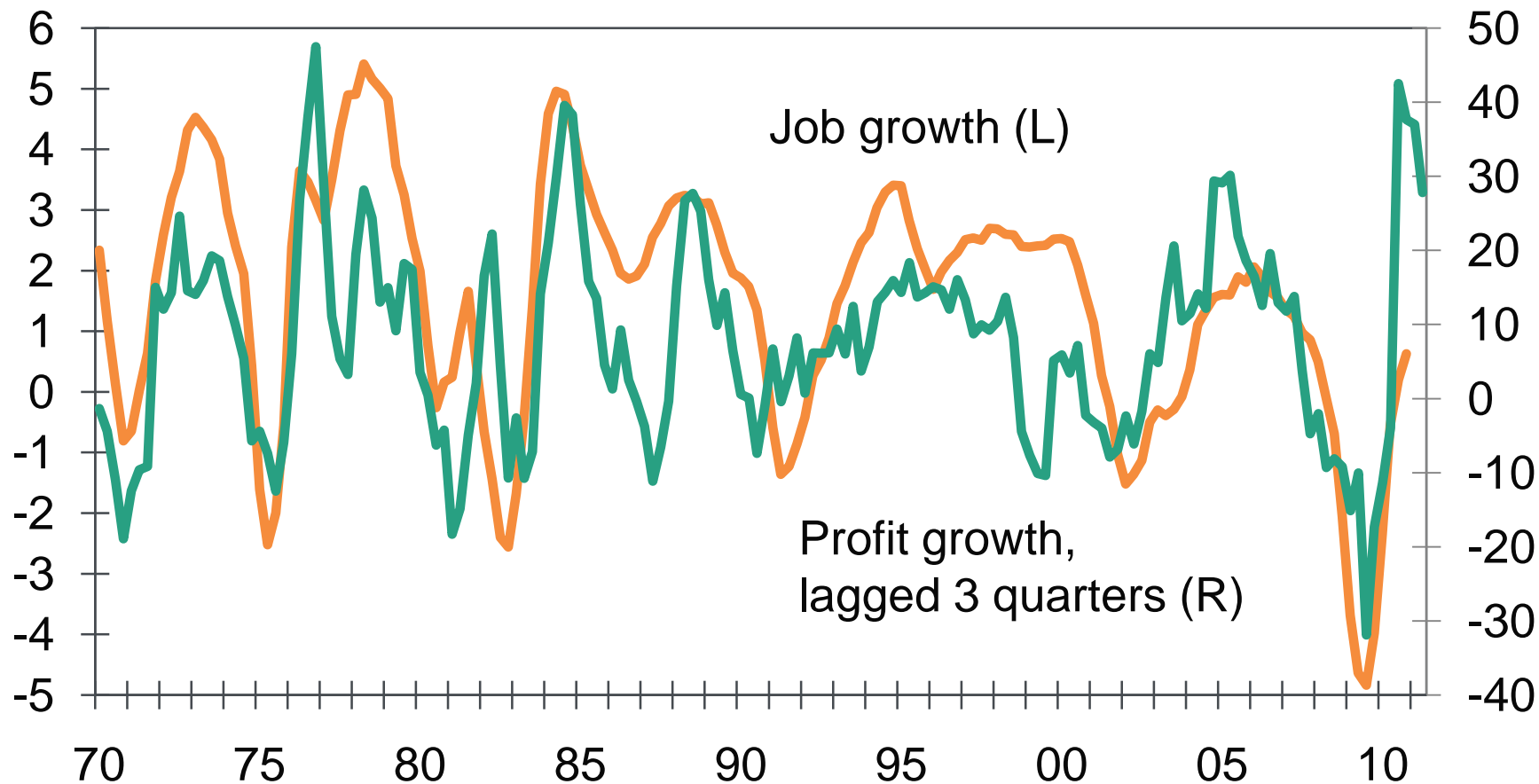
First mortgage loans, ths



Sources: Equifax, Moody's Analytics

# Profits Surge and Jobs Should Follow...

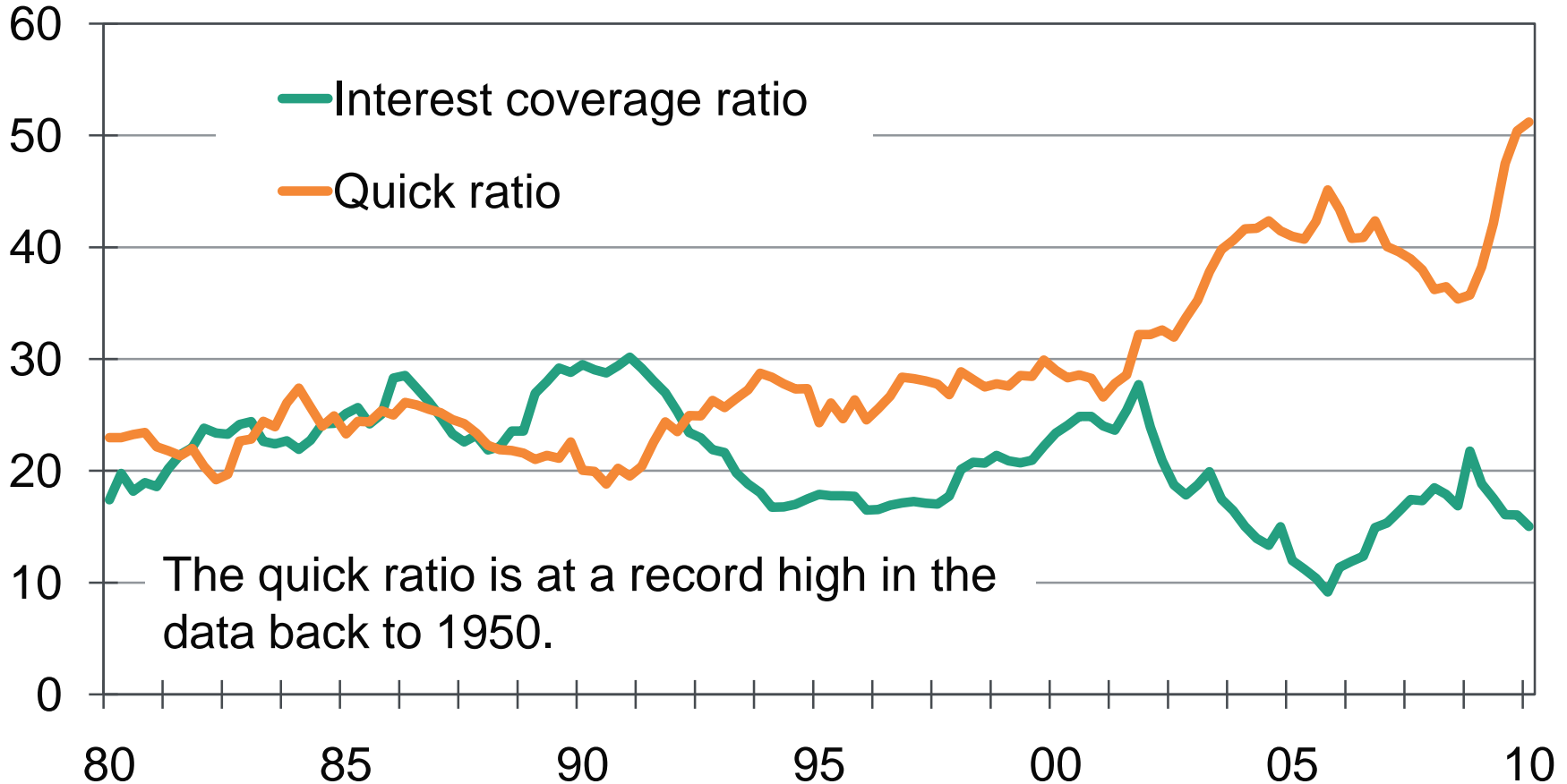
% change yr ago



Sources: BLS, BEA

# ...Given Solid Business Balance Sheets

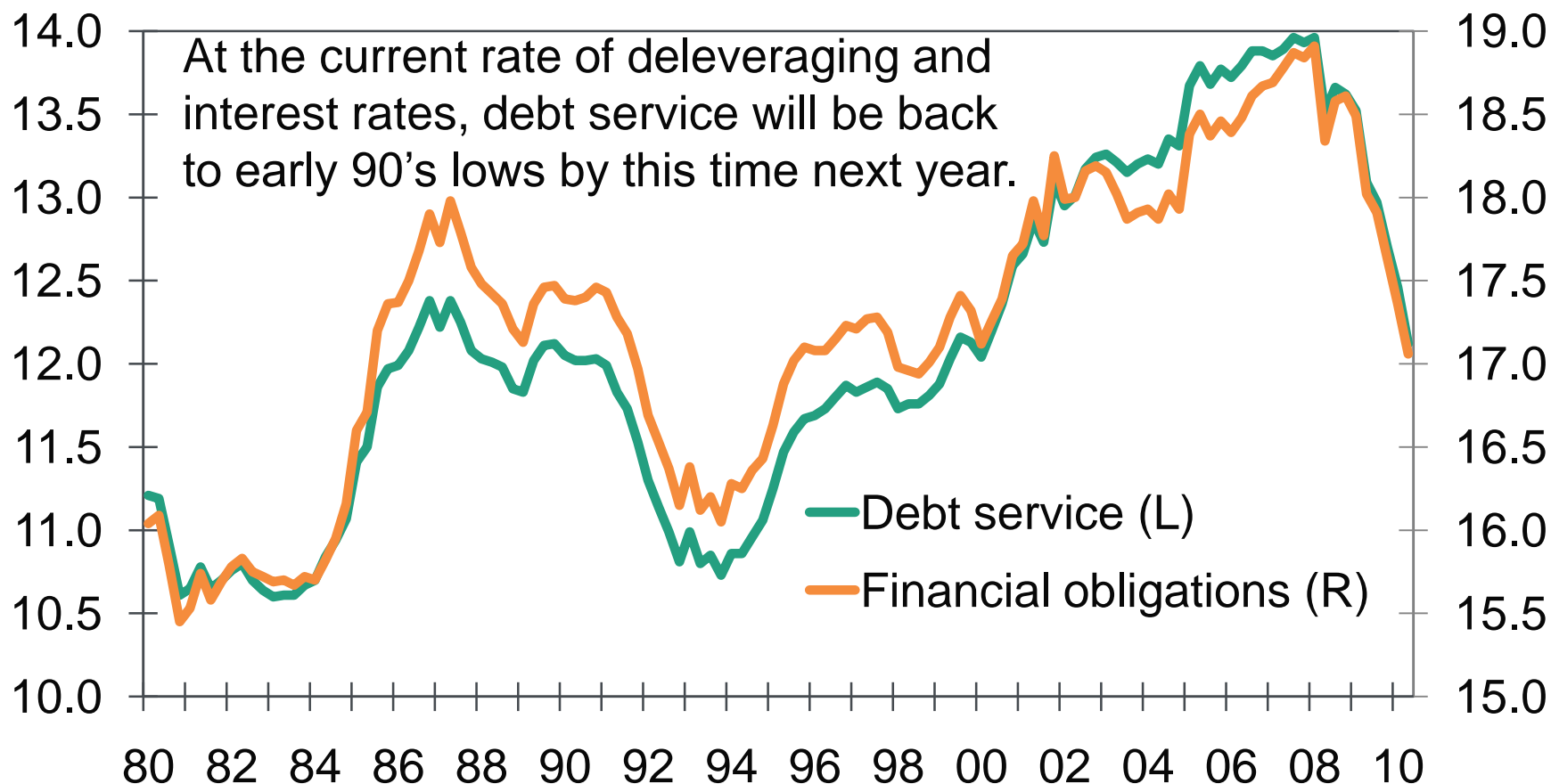
Nonfinancial corporate businesses



Sources: Federal Reserve, Moody's Analytics

# Household Debt Burdens Are Falling Fast...

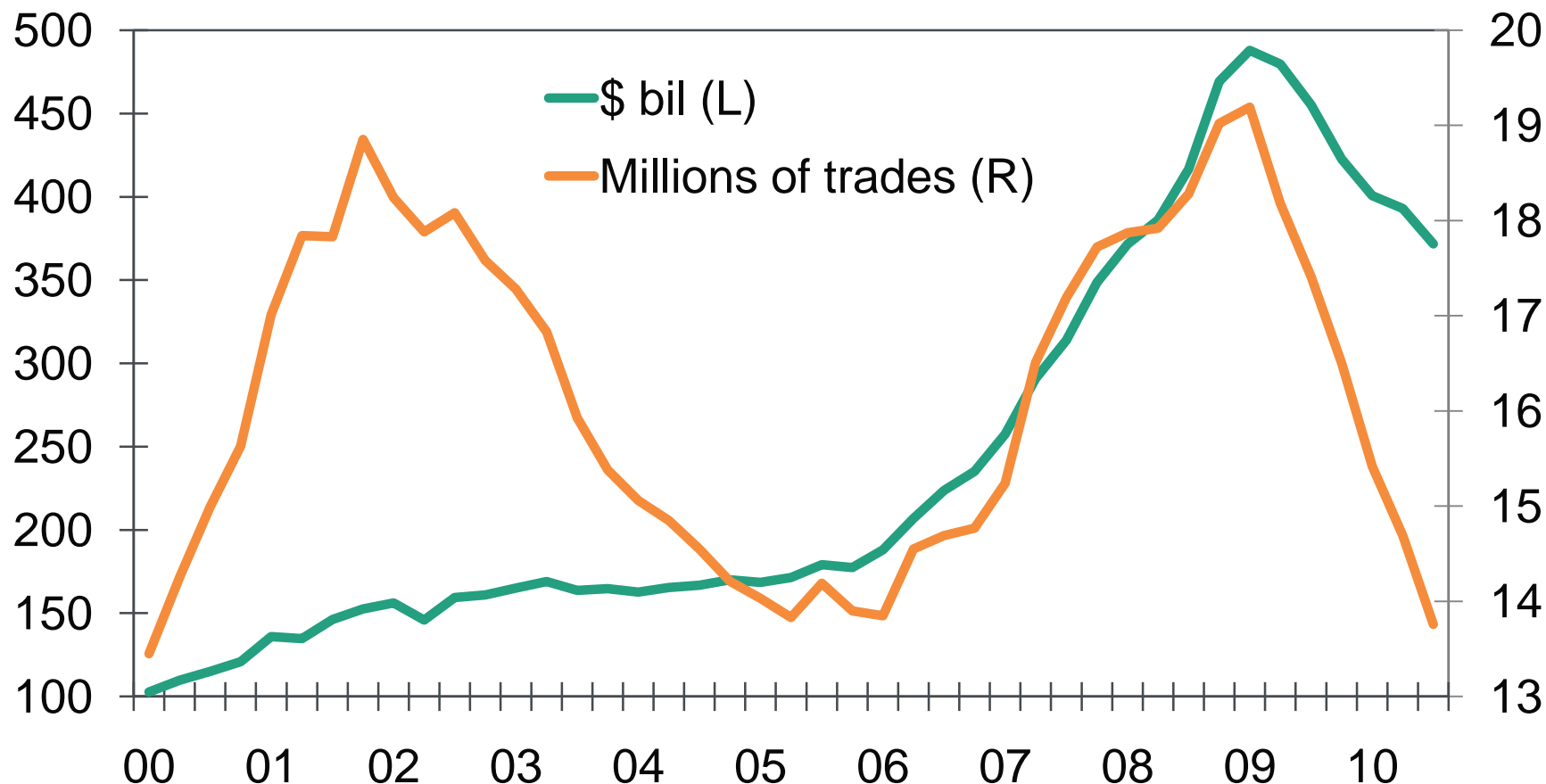
% of disposable income



Sources: Federal Reserve, BEA, Moody's Analytics

## ...And Credit Quality Improve

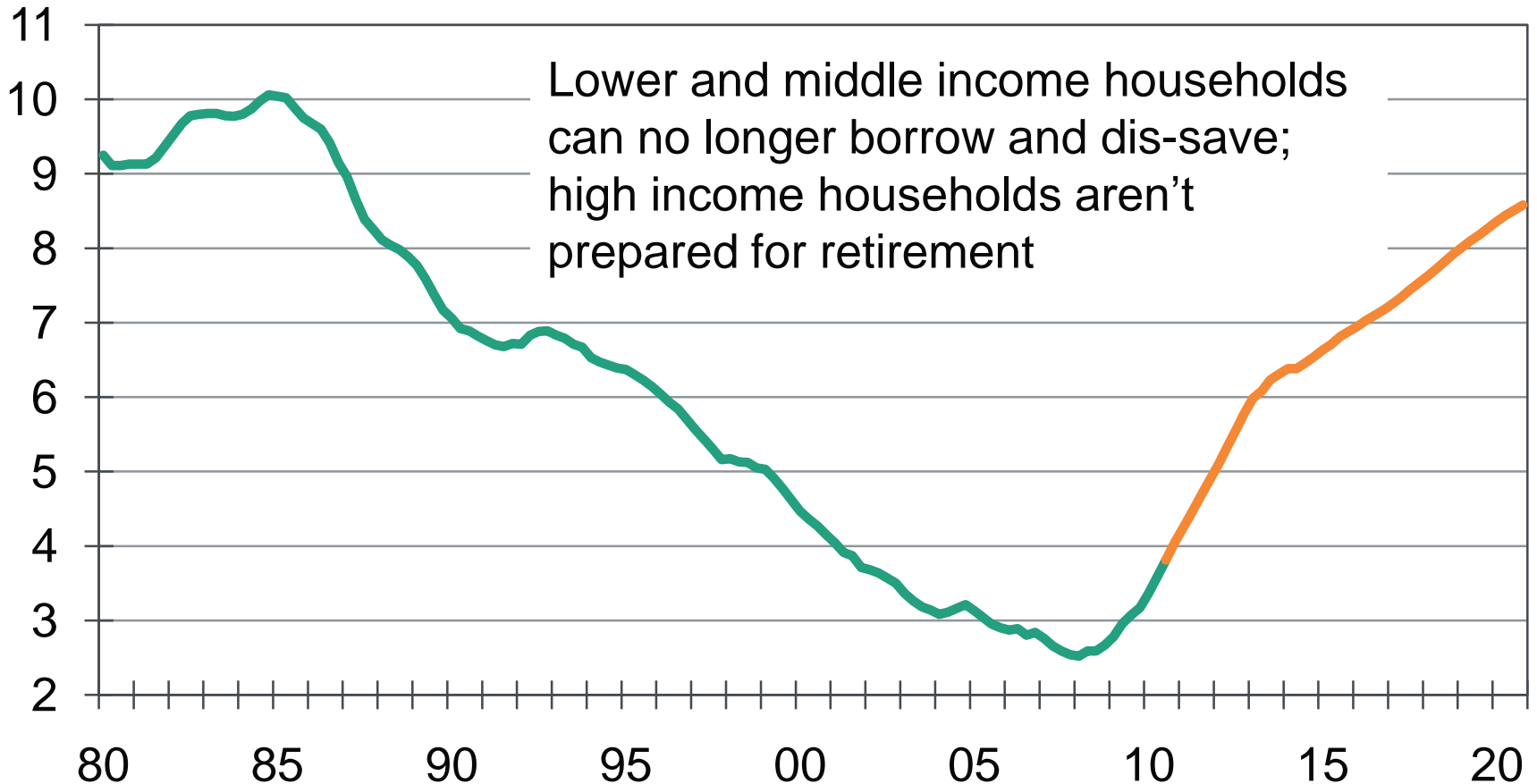
Household liabilities 30-90 days delinquent, SA



Sources: Equifax, Moody's Analytics

# Consumers Will No Longer Lead the Way...

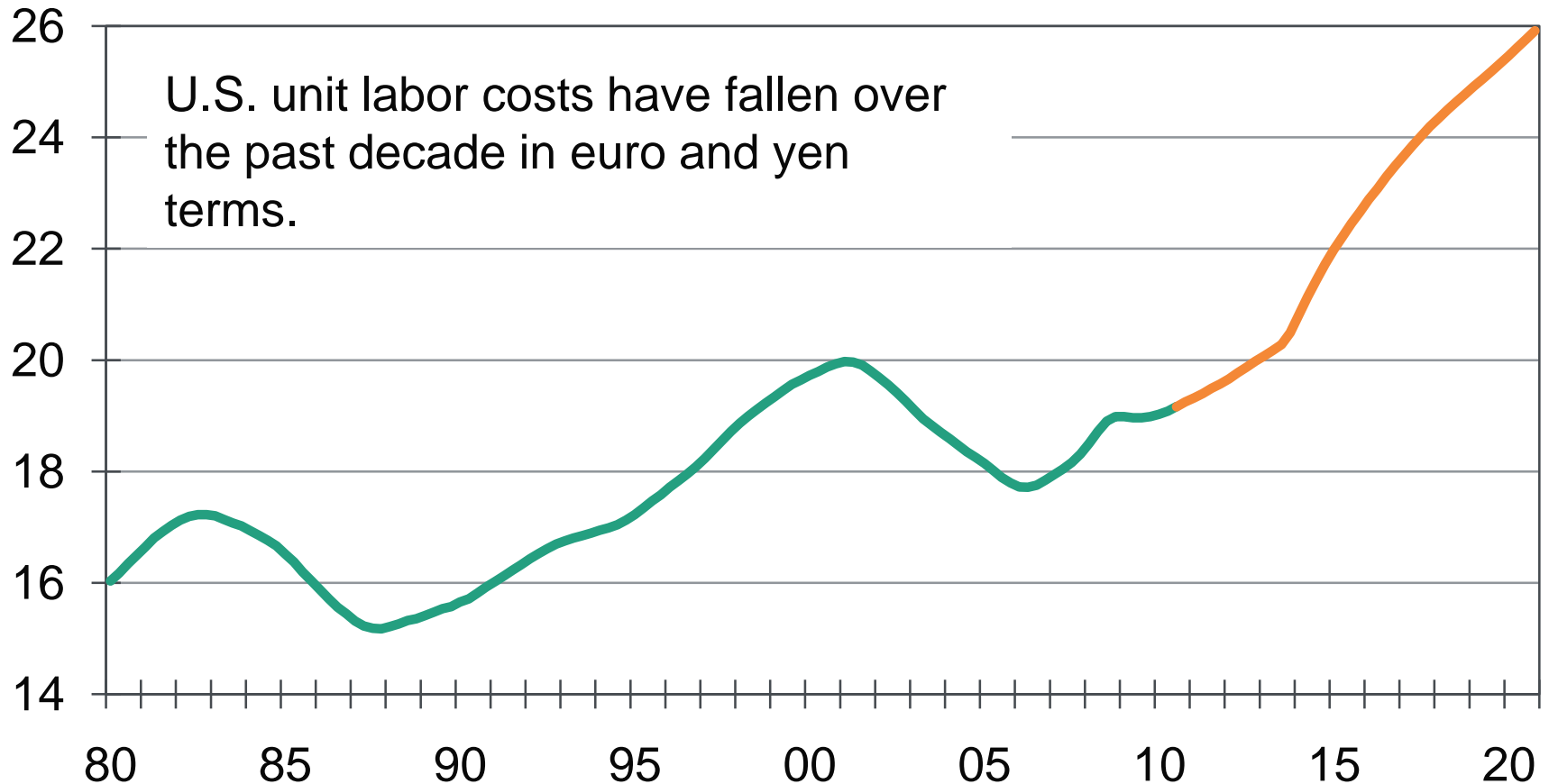
Personal saving rate, 5-yr MA



Sources: BEA, Moody's Analytics

## ...But Exports and Investment Will Fill the Void

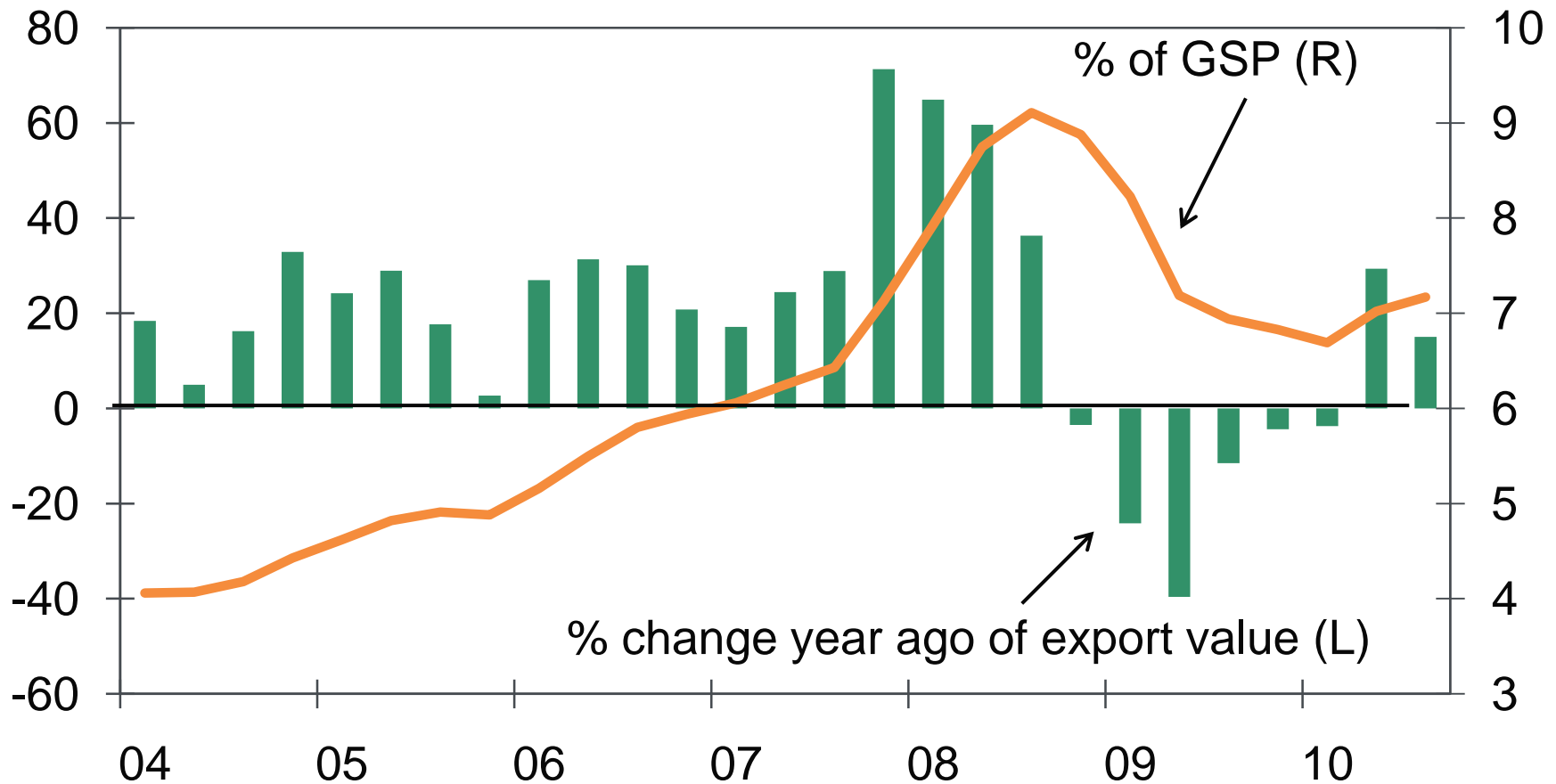
Export & investment share of GDP, 5-yr MA



Sources: BEA, Moody's Analytics

# Exports Increasingly Important for North Dakota

Exports of commodities and goods by origin of movement



Sources: Census, BEA, Moody's Analytics

Exports: 4-qtr moving sum  
GSP: annualized 4-qtr moving avg.

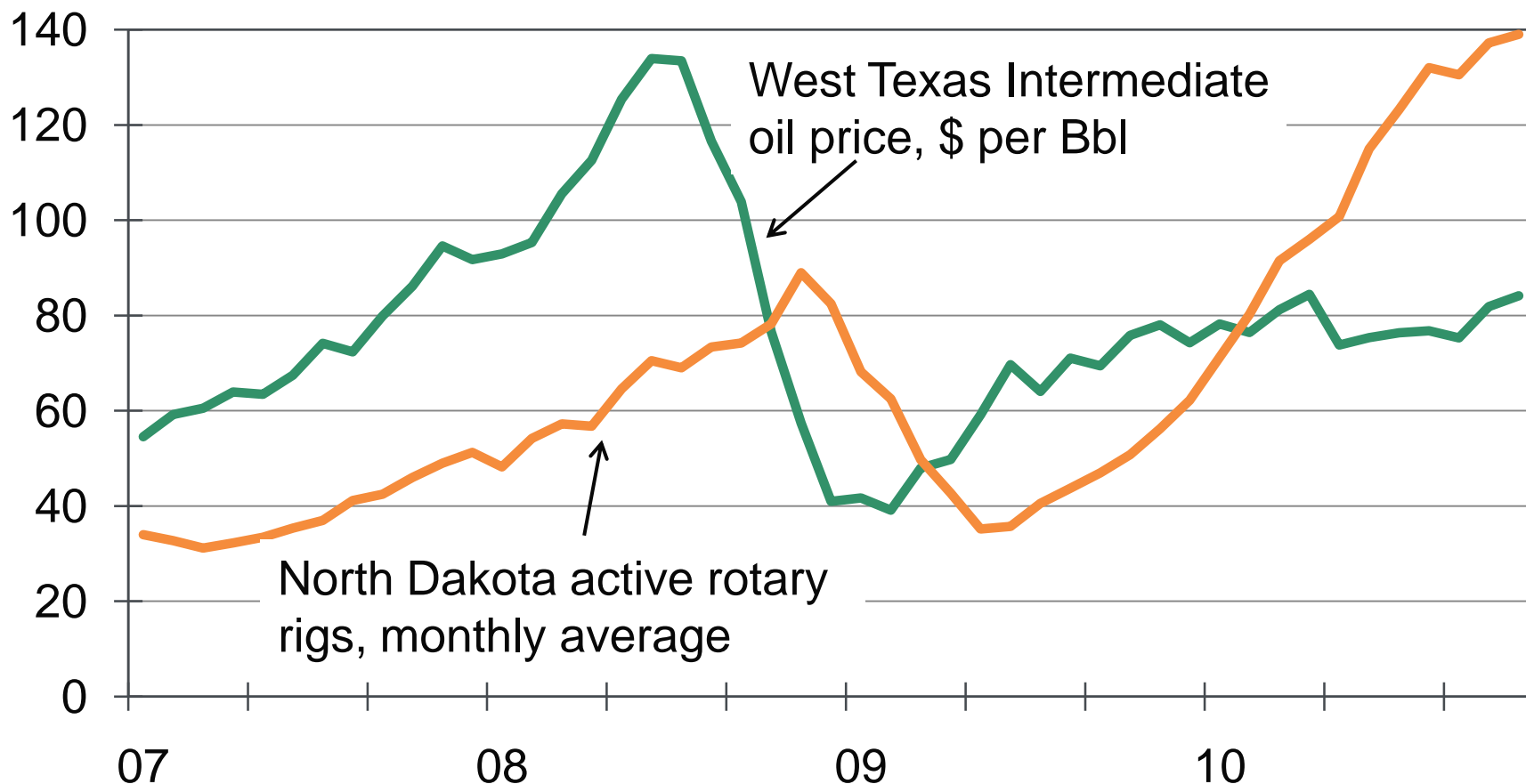
# Wheat Prices Remain Elevated

Winter wheat, \$ per bushel



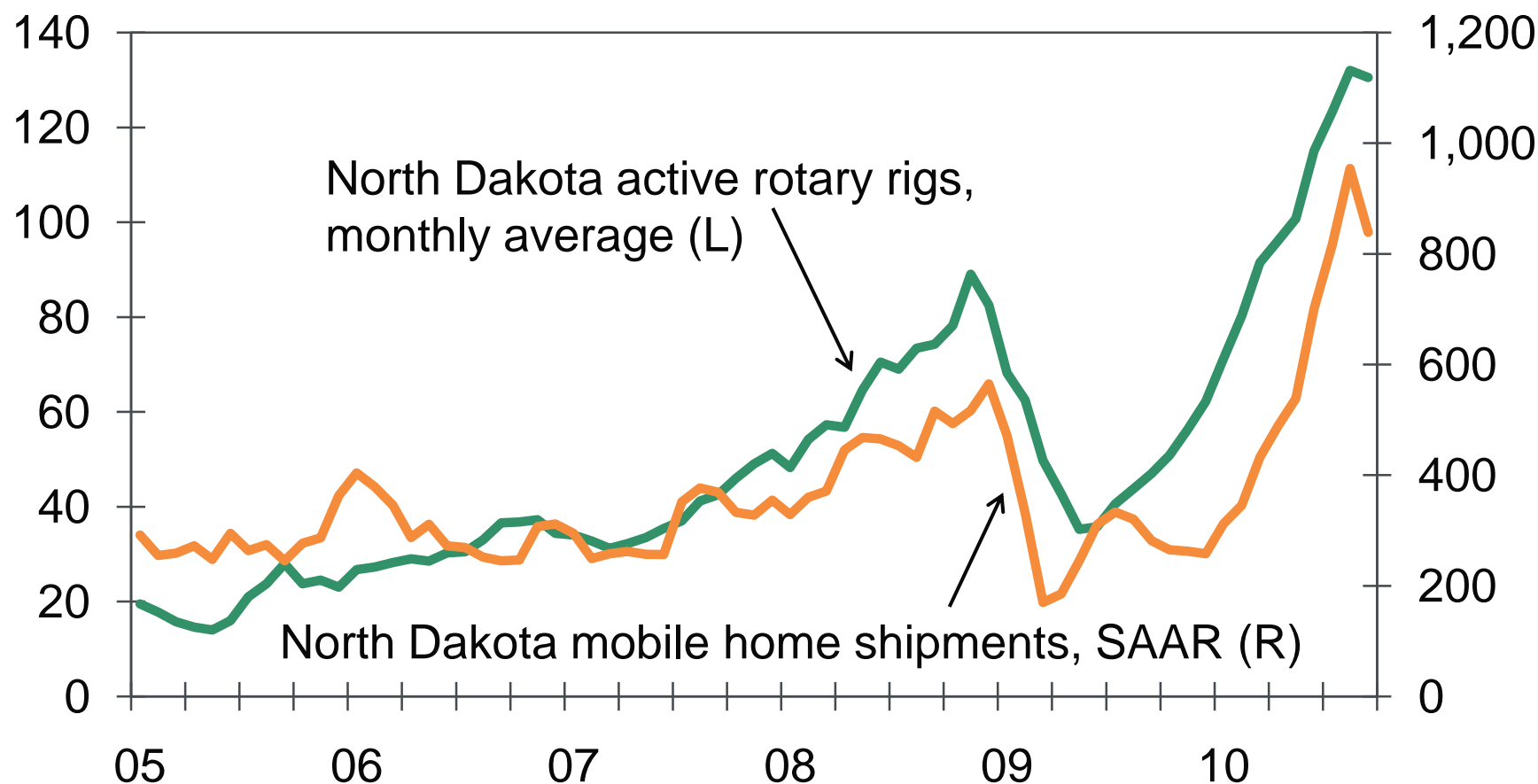
Source: Agriculture Statistics Board

# Drilling Activity Is Soaring



Sources: Baker Hughes, St. Louis Fed

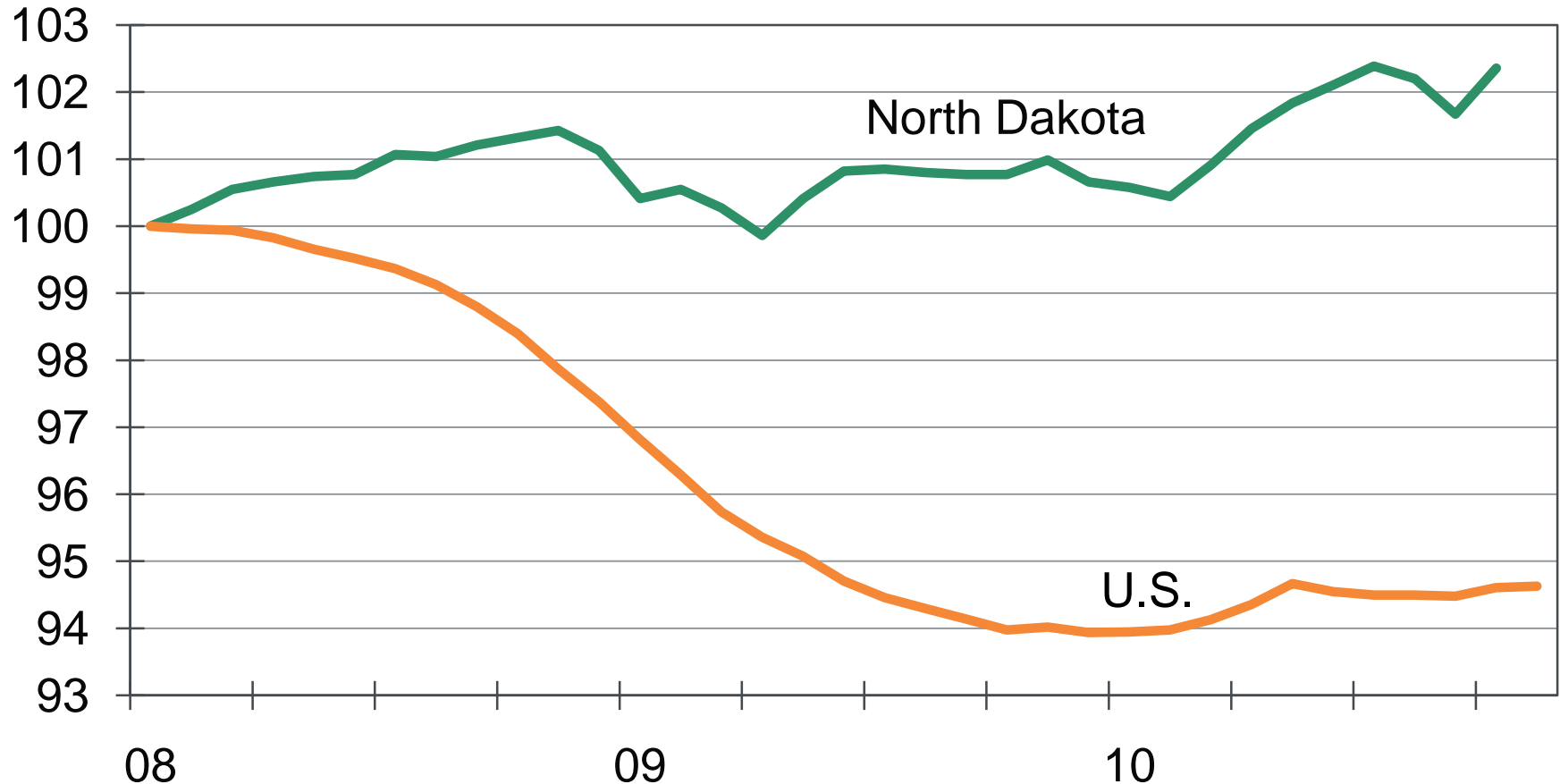
# Mobile Home Shipments Spiking With Rigs



Sources: U.S. Energy Information Administration, IBTS

# Very Stable Labor Market in North Dakota

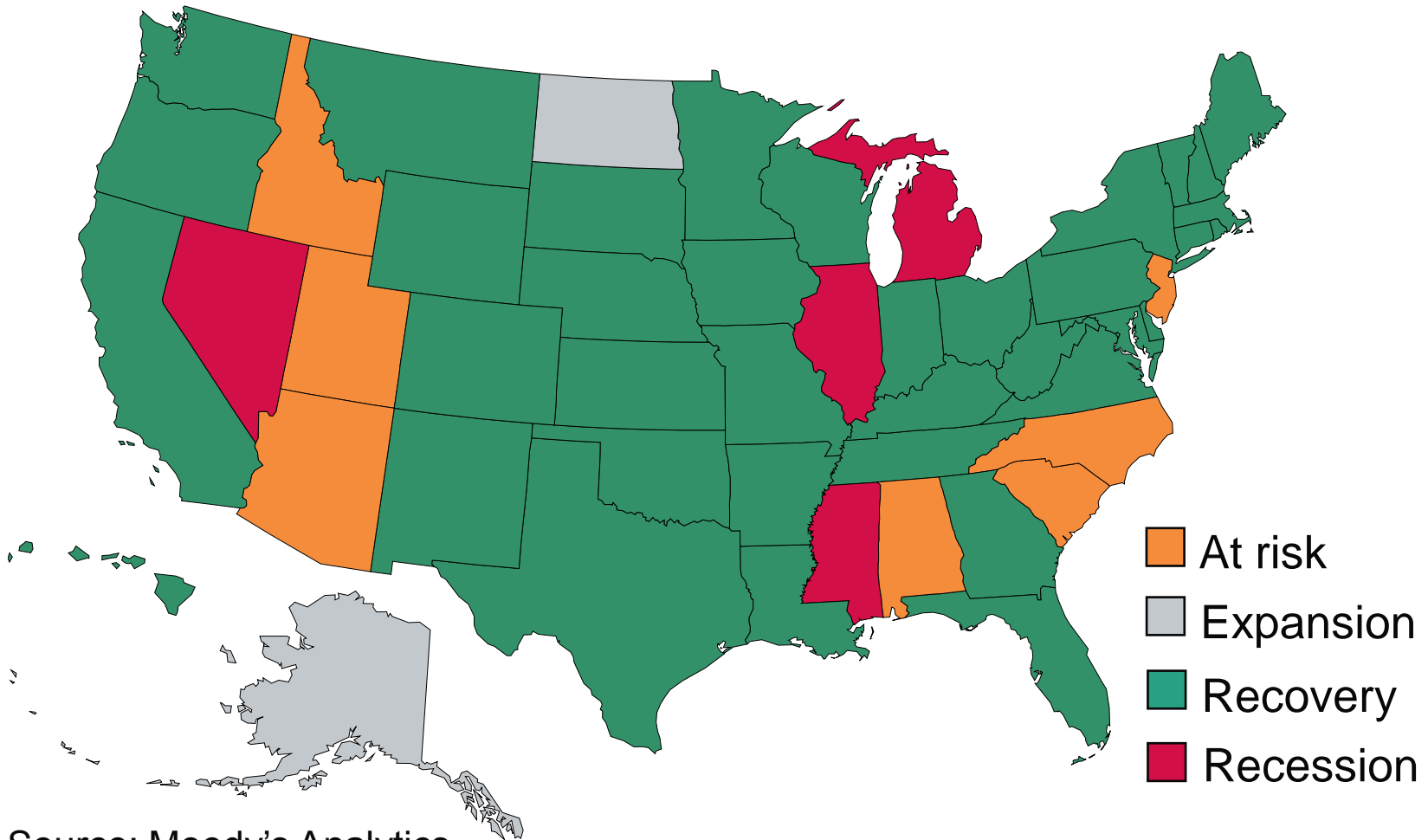
Total non-farm employment, Jan. 2008=100



Sources: BLS, Moody's Analytics

# North Dakota Economy Leads the Turnaround

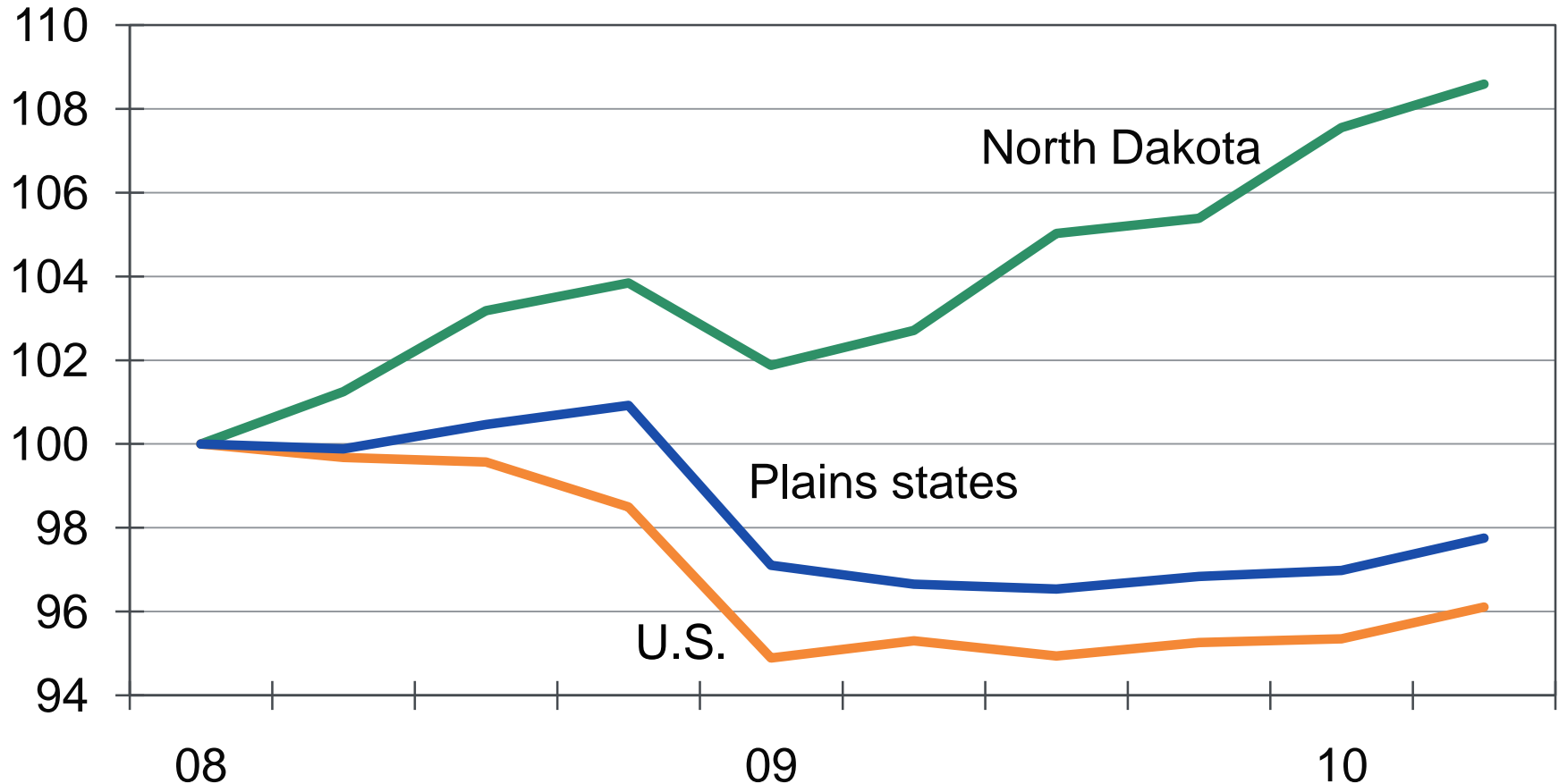
Business cycle indicator as of October 2010



Source: Moody's Analytics

# Strong Wage and Salary Income in ND

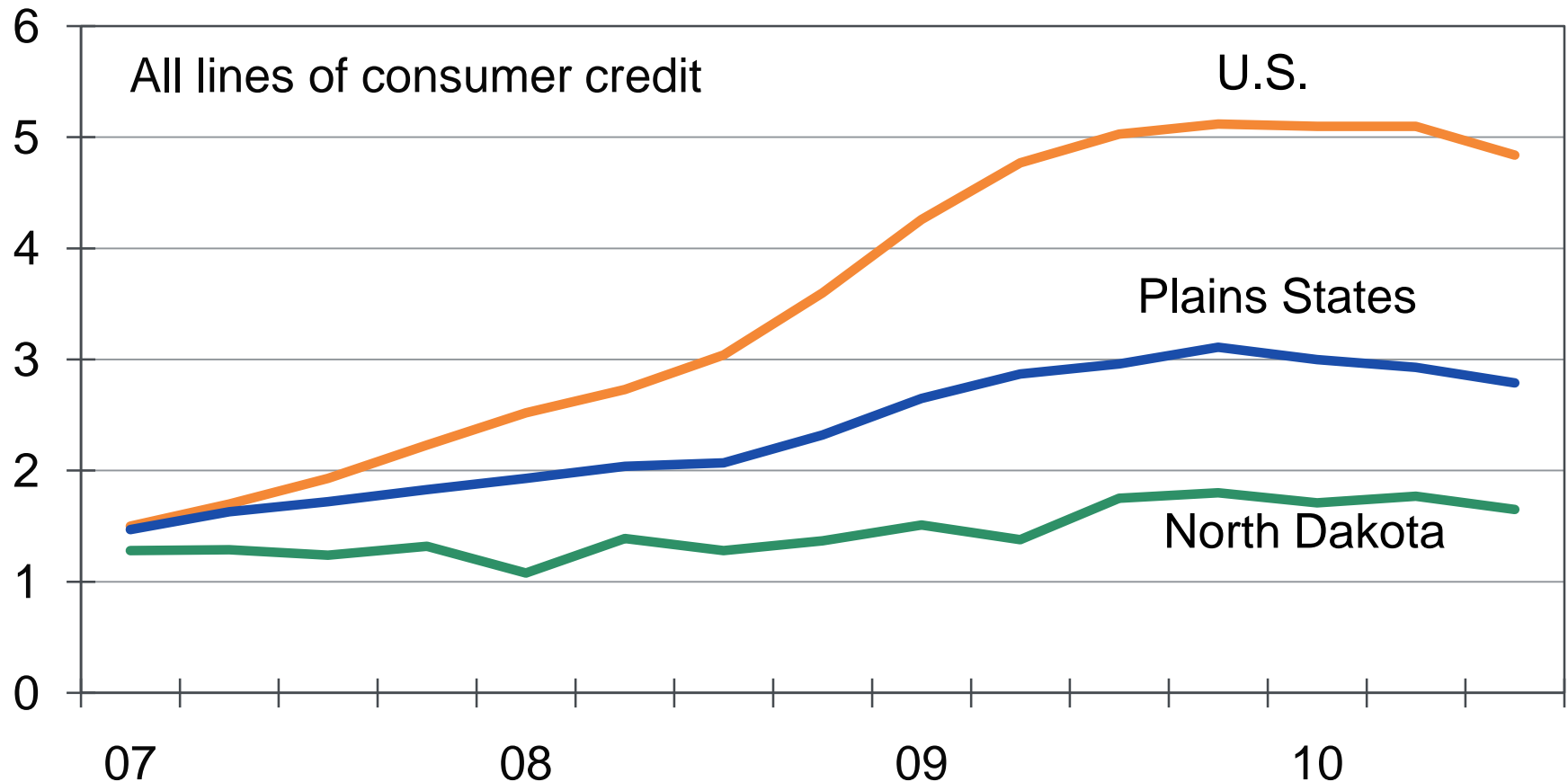
Wage and salary income, 2008Q1=100



Source: BEA

# Household Finances in North Dakota Are Fine

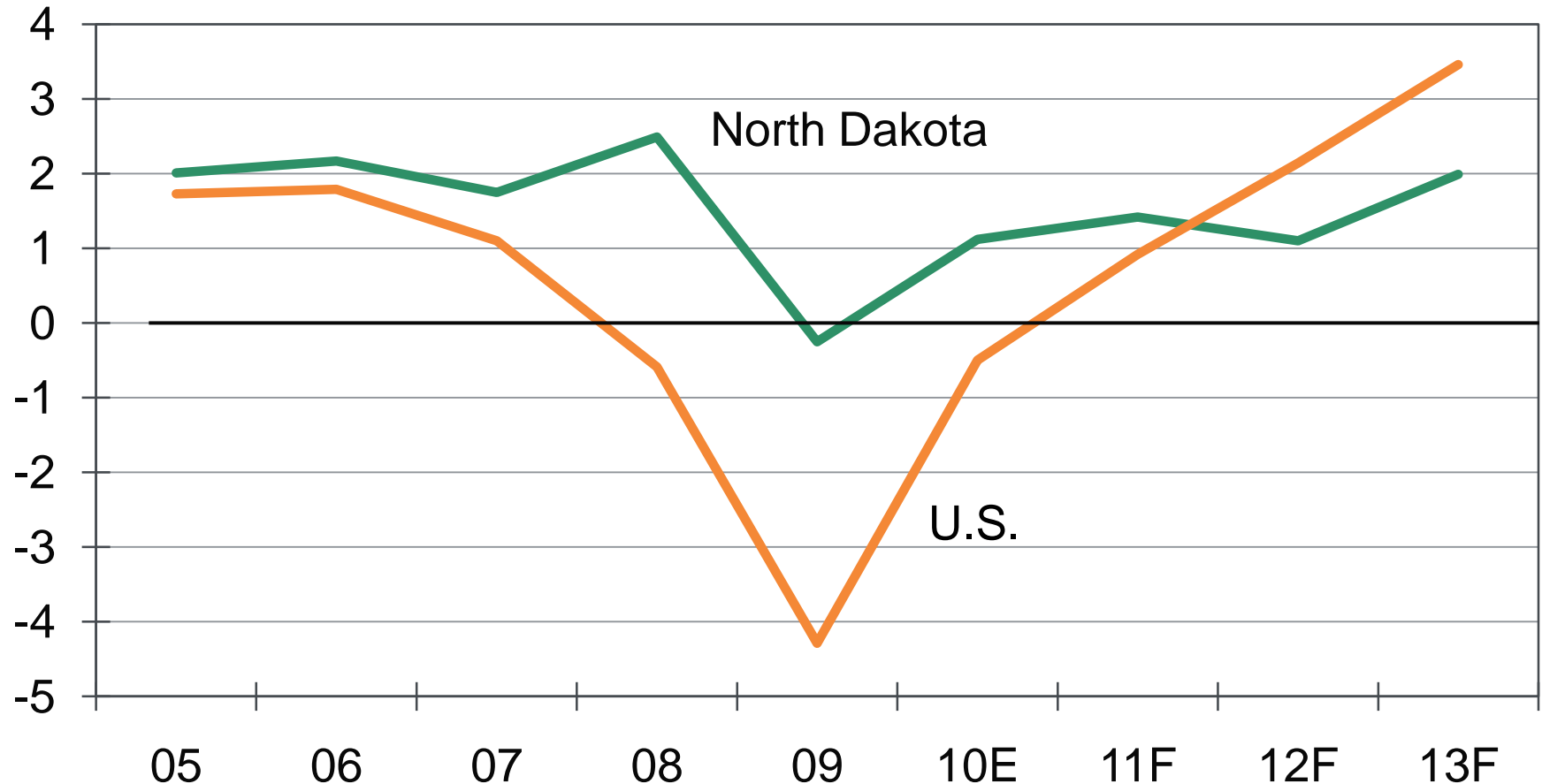
Delinquency rate, % of dollar value, 60, 90 & 120 days delinquent



Sources: Equifax, Moody's Analytics

# Less Pent-Up Demand; Milder Jobs Rebound

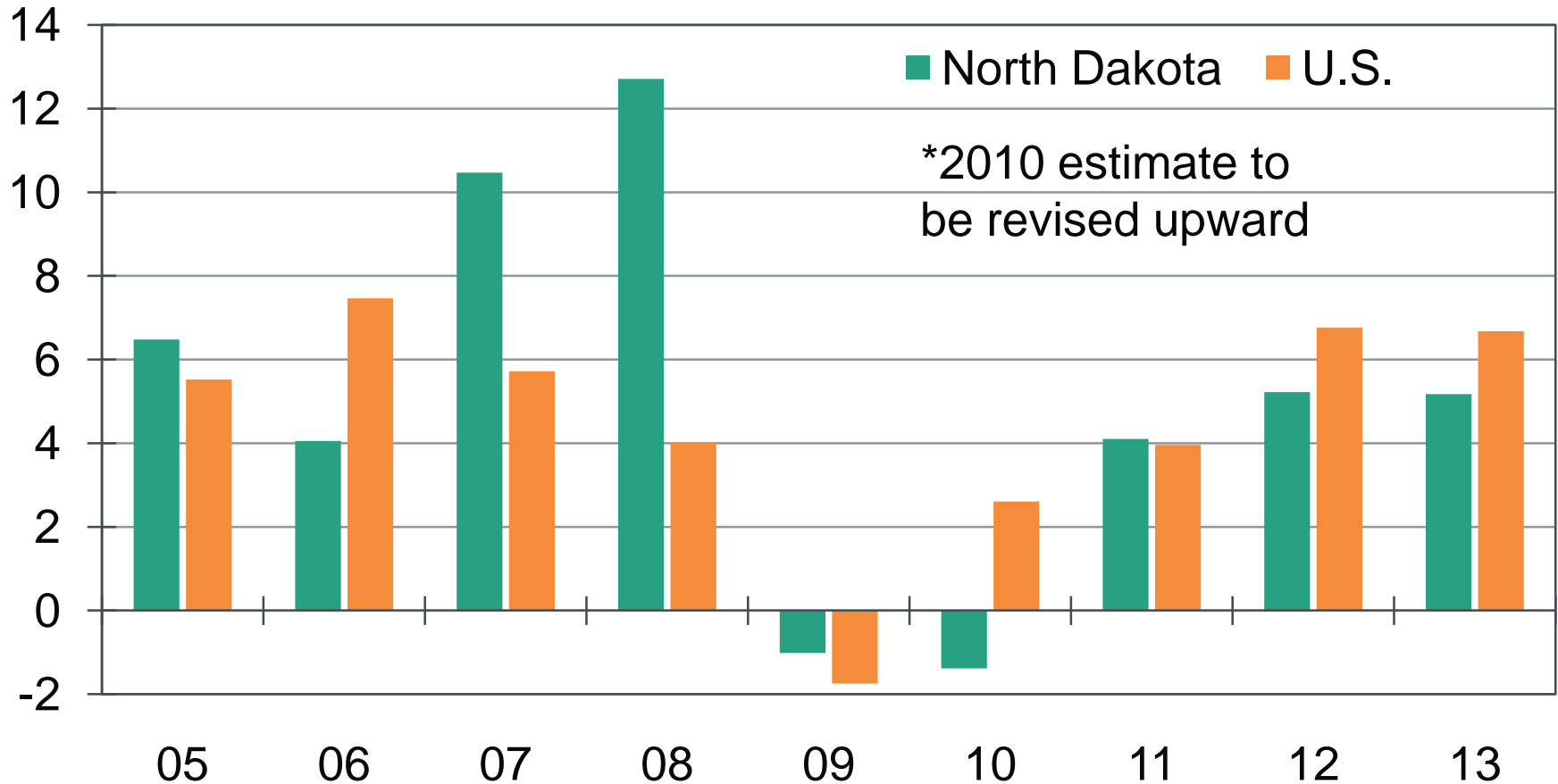
Total non-farm employment, % change



Sources: BLS, Moody's Analytics

# Income Outlook

Total personal income, % change



Sources: BEA, Moody's Analytics

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